RAJYA SABHA

Tuesday, the 26th February, 1991/ 7th Phalguna 1912 (Saka)

The House met at eleven of the clock, **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

Budget for light combat aircraft

*41. SHRI SURESH KALMADI: Will the PRIME MINISTER be pleased to state:

(a) what was the original budget for design and production of the Light Combat Aircraft;

(b) what is the current estimate; and

(c) what are the reasons for cost escalation, if any?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI LALIT VIJAY SINGH): (a) Rs. 560 crores at 1982-83 price level for the Light Combat Aircraft (LCA) development programme, including six flying prototypes.

(b) Rs. 1670 crores at April 1990 price level for building two technology demonstrator aircrafts.

(c) (i) At the time of submission of estimates for approval in 1983, the LCA programme was at a conceptual stage. It was not possible to work out precisely on the relevant details. Subsequently, feasibility studies were undertaken which were followed by Project Definition Phase (PDP). PDP led to precise definition of work and sub-system selection. Thereafter, a strategy was evolved for undertaking 'Engineering Development' of the aircraft.

(ii) The cost variation is generally due to :

— Change in development strategy;

— Build up of infrastructure and advanced computational and test facilities;

— General increase due to inflation and change in foreign exchange parity rates.

SHRI SURESH KALMADI: We have not designed an aircraft in this country. Since 1950, when the Skurd Tank designed the HS-24, there is a 30-year technological gap in the country. Here we are going to produce a most sophisticated aircraft in the world. As far as the time frame is concerned, its conceptualisation started in 1983 and the model was supposed to be ready by 1991. Now, in 1991, they say the prototype will be ready by 1995 and its licensed production will start around the year 2000. I think it will go to about 2005. So, from the time 1983, when it was thought of and the project started, this aircraft is going to be ready by the year 2005 or 2010. It will be nearly 25 or 30 years after the project was initially conceptualised and at that time this aircraft is going to be outdated.

Secondly, the cost factor, as the Minister himself has said, was initially thought of as Rs. 560 crores for just a prototype. Now, you have got it to Rs. 1,670 crores. I think by the time it is ready in 1995 or 2000, the cost would easily go up to Rs. 5,000 to Rs. 6,000 crores and the aircraft would be coming out in the year 2005. At that time the cost of the aircraft would be Rs. 100 crores or Rs. 150 crores per aircraft and the total cost — the Finance Ministry must know — would be about Rs. 30,000 crores. The LCA project will be Rs. 30,000 crores and even after that we will be importing all the systems. We will be importing avionics and various other materials, including fly-by-wire. I think it is a lot of money down the drain. Sir, the Prime Minister recently has given an assurance that the LCA project will be ready on time. I do not know on what basis he has made that statement. Even the Chief of Air Staff has gone on record and said that this aircraft is being delayed and because of the delay in the LCA project they may have to go in for a suitable replacement of aircraft. I think the Prime Minister

has been misled on this project. There is one lobby which is misleading on this project from 1983 onwards. I have been alert on this. There have been a whole lot of people who have been changed in this project. We have been alert on this. Now, we have already spent Rs. 500 crores on this project and we are going to spend Rs. 5000 crores. I would like to know from the Minister what is the status of the project. May I know from the Minister whether it is a fact that the Chief of Air Staff and the entire Air Force are opposed to this project because of the delay? After 25 years this aircraft will become obsolete. May I know from the Minister whether the Chief of Air Staff has asked for a suitable replacement of the aircraft?

THE PRIME MINISTER (SHRI CHANDRA SHEKHAR): Mr. Chairman, Sir, in what the hon. Member says there is a little exaggeration of apprehension. What I said at that time was that the LCA will be ready for meeting the needs of the country not at the projected time as it was envisaged at the initial stages. My friend has just told you that there has been delay and what has been delayed for the last eight years cannot be compensated in the coming 5 to 6 years. The time schedule is the same. What the hon. Member has said is true that the Air Force needs some replacement. Care will be taken about that. I know that the project will be costly but India wants to be self-reliant in this industry. In order to be self-reliant if certain amount has to be spent, the nation will have to pay for it.

SHRI SURESH KALMADI: I am with the Prime Minister when he says that we have to be self-reliant. We are trying to make GTS engine for the LCA project. What is the status of the indigenous engine? We are going in for 10 F404 engines. Today you have placed orders for 60 F404 engines and you know the situation. The United States can blackmail us at any time. They might not give you the engine. They might not give you the spare parts. So, where is the indigenous effort going to be? We are going to spend Rs. 30,000 crores and we have not yet developed our own engine. We are totally dependent on other countries. Instead the practical thing would be to go in for licensed manufacturing of Mirage 2000 or MiG-29. At least this will be beneficial but this LCA might not come at all even after spending Rs. 20,000 crores. So what I suggest is that you can remodify MiG-21 and also rewing it. It can have lighter avionics. We should go in immediately for remodification of MiG-21 because Pakistan is going in for remodifying. They are not going in for new aircraft. They are remodifying their aircraft. We have set on a grandiose plan which might not materialise. By the time it materialises there will be a tremendous gap between the two Air Forces. I would like to specifically ask one thing whether the Minister would consider scrapping of this project. We have spent so far Rs. 500 crores. There are Rs. 25,000 crores to be spent. A country like Israel has stopped LEVI project. There is no shame if we do it. We must have learnt something from them. Even the French are ready to scrap Raffale LCA project. Even other countries of the world are thinking of scrapping it. But regardless of the fact we are continuing with it. Will the Prime Minister react to it?

SHRI CHANDRA SHEKHAR: Mr. Chairman, Sir, the hon. Member has just mentioned about a particular country but I would not like to mention about any country. Exactly for that reason we have to depend upon the talent of this country. I am proud of the achievements or accomplishments of our scientists. We do not want to be blackmailed by anybody in future. I am not a technical man but I have gone into the details of this project and I am quite satisfied that our scientists have done a wonderful job. I do not agree with the hon. Member's information because his information is a little wrong. We have ordered for only 11 engines and we hope that by the turn of the century we shall be able to do much better than what the hon. Member apprehends.

SHRI SURESH KALMADI: Sir, the Prime Minister has been misinformed. In reply to my question in Parliament I was told that they have already placed contract for 60 engines.

SHRI CHANDRA SHEKHAR: That figure should be revised to 11 engines.

DR. RAJA RAMANNA: Mr. Chairman, matters connected with Defence are beyond all party differences and I would like to strongly support the LCA project in spite of the many comments the Hon. Member is making over many years. (*Interruption*).

SHRI SURESH KALMADI: Sir, it is his baby.

MR. CHAIRMAN: No insinuation, please.

SHRI SURESH KALMADI: On the floor of the House he said, "It is my baby." (*Interruptions*). I hope there will be a proper birth.

DR. RAJA RAMANNA: I think it is very important, Sir.

MR. CHAIRMAN: Let him speak.

SHRI S. JAIPAL REDDY: How can there be a baby without birth? The birth has already taken place. (*Interruptions*).

DR. RAJA RAMANNA: Sir, it is very important that this project goes through as fast as possible because the world situation is changing and our defence is a very different proposition from what it used to be some years ago. Therefore, I would like to request the Prime Minister to put more efforts to see that it is done because if we go in for any change of programme now, we will be more obsolete than ever before. This is only a request to the Prime Minister to hurry up the project.

MR. CHAIRMAN: What is the question? (*Interruptions*). Will you hurry up the project?

SHRI CHANDRA SHEKHAR: Mr. Chairman, Sir, I did not know that this is the baby of Dr. Raja Ramanna. If it is his baby, I congratulate him that he has produced a good baby. (*Interruption*).

AN HON. MEMBER: It might be still-born.

SHRI CHANDRA SHEKHAR: And I assure him that the project is going on according to schedule. There is some delay and in these experiments, you cannot be always sure. There may be a lastminute snag. But because of the apprehension of a snag at a particular time, we cannot give up the project as such. I assure the hon. Member that the Government will extend all support to this project and the project will be completed in time. And that will be our effort.

SHRI G. G. SWELL: Sir, we have seen the war in the Gulf being fought. Hopefully, it is coming to an end with the decision of Baghdad to drop everything and withdraw from Kuwait Now, Sir, we have seen a variety of high-tech weapons being used, the latest of which is the Fuel Air Explosive which, short of being nuclear, is doing all the work of a nuclear weapon within a limited locality. I would like to know, while talking about our defence preparedness, whether we are having a new look at our preparedness and the kind of weapons that we will need in a modern war in view of the weapons used in the Gulf. I would like to know whether they are examining this and whether they are coming before this House with information on this. What are the kind of weapons that we need in the country in the present context?

MR. CHAIRMAN: This does not arise out of it. But if you are prepared to reply, you may do so.

SHRI CHANDRA SHEKHAR: Mr. Chairman, Sir, the hon. Member has raised a very valid point. The world situation is deteriorating very fast and India cannot neglect its defence preparedness. I assure this House that we are prepared to face all eventualities. We

should not unduly get scared by the reports about the preparedness of other nations. India is in a position to meet the situation as it develops. But we do not want to make any high or tall claims in this House.

PROF. SOURENDRA BHATTACHARJEE: Mr. Chairman, Sir, earlier, the Prime Minister stressed on self-reliance in connection with this project, in answering the hon. Member Mr. Kalmadi. But one question arises in my mind. As he has said, he is not a technical man: neither am I. But the question is in connection with the Gulf war. In the aggression on Iraq, we have seen these B-52 type of aircraft, bombers, wreaking havoc in that country during the war. Now, this is a project—maybe Prof. Raja Ramanna's baby, now taken up by Mr. Chandra Shekhar—for combat light aircraft. (*Interruption*).

SHRI A. G. KULKARNI: It is adopted, not taken over.

PROF. SOURENDRA BHATTACHARJEE: I stand corrected.

Mr. Chairman, in view of this, will this project of combat light aircraft be of any use if there is a repetition of the performance by the USA or any other country which is at invasion as third world country?

SHRI CHANDRA SHEKHAR: Mr. Chairman, Sir, I cannot discuss all the strategy about world politics and world affairs in this Question Hour, but I assure the hon. Member that we know the developing situation. We are cautious about it and we shall do everything within our limits because you cannot compete with the rest of the world; some of the nations who have been spending a lot for just preparing weapons of devastation. India's policy is not like that. But we shall do everything for our defence and I assure the hon. Member that it is not the baby of Dr. Raja Ramanna or Chandra Shekhar. It is the proud accomplishment of our scientists in the interest of the nation and we should be proud of that. Politicians should not assume that they are doing everything. This is the talent and accomplishment of the scientists which should be complimented. It should not be made the question of one person or the other who is in power or in office of Defence Ministry.

Restriction on use of Foreign Brand Names

*42. SHRI DIPEN GHOSH†:
SHRIMATI JAYANTHI NATARAJAN:

Will the PRIME MINISTER be pleased to state:

(a) when was the condition of placing restriction on use of foreign brand names while granting foreign collaboration imposed;

(b) what were the reasons for imposing this condition; and

(c) whether it is a fact that Government are not enforcing this condition presently; if so, the reasons therefor?

THE MINISTER OF STATE IN THE PRIME MINISTER'S OFFICE (SHRI KAMAL MORARKA): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) The policy of disallowing the use of foreign brand names for products manufactured under foreign collaboration and meant for the Indian market is being followed since 1969. Accordingly, while granting foreign collaboration approvals, a standard condition is stipulated that foreign brand names will not be allowed for use on the products for internal sales, although there is no objection to their use on products to be exported.

†The question was actually asked on the floor of the House by Shri Dipen Ghosh.